Another point that I would like to touch is the Land Mortgage Bank. There were a few who thought that this might end in a failure. I can only say that the Land Mortgage Bank is the only institution known to the civilised world for affording long term credits at low rate of interest, repayable by easy instalments. If that institution fails in this land, the blame will be not on the Bank but upon us, the people of this State. Let us hope that this calamity will not fall on this noble institution.

A word or more about one or two minor points. It is about the audit of railway accounts. This point used to be constantly urged in the general discussion during the previous years. We obtained the services of a special auditor for the State from the Offices of the Government Examiner of Railway Accounts and he is closely scrutinising the railway accounts. This again brings me to another minor point referred to by the Member for Trichur North about the Tramway accounts. He pointed out that there is no corresponding receipt on the receipt side towards the cost of these rails. Perhaps he did not know that the Railway Conversion accounts are kept separate from the budget. The Railway conversion is an account in itself quite different from the State Budget and a corresponding credit for the Rs. 60,000 will be found in the Railway Conversion Accounts to which we have to contribute money. Therefore, there is no omission on that score.

Then, Sir, a small sum of Rs. 25,000 is provided under 'Electricity'. I may inform the house that the amount is intended to purchase shares in case a company is floated to take up the work. The purpose for which the amount is provided was not mentioned in my explanatory memorandum and hence I refer to it now.

Well, Sir, I have completed the speech and I have given detailed information on the various points urged by the other side. I can only wind up the speech with the remark that, as things are, within the realm of practical politics to quote my own speech, our resources are limited and with the revenue available, we have met all reasonable demands.

President's Remarks on Budget Discussions.

Mr. President.—Hon'ble Members :—In winding up the general discussion on the budget I would like to make a few observations prompted by one or two criticisms of policies and actions for which I am solely responsible, and I think I owe it

LIBRARY ARCHIVES Kerala Legislative Assembly

to the House just to saya few words in explanation of those policies. I was rather surprised to hear the trend of criticism on the part of certain Hon'ble Members about the administrative reforms which I announced in my opening speech. One Hon'ble Member expressed his sore disappointment that the great expectations that he entertained when my appointment as Diwan was announced had been belied by this paltry step in Constitutional Reform. I can only say that the changes that were announced in my opening speech and which are embodied in the resolution contained in the Gazette Extraordinary were not and are not intended to be Constitutional Reforms at all. But even though I was modest enough to claim that these were administrative changesnecessary for a modern Government, I thought that the highly intellectual people of Cochin would realise the implications of these changes. (Hear, hear). If I have not heard any reference to those implications I take it, it is not because that the Members of the Council have failed to realise the implications, but because it is due to the working of the non-official mind with which I am very familiar of not giving credit to any action of Government. I have myself followed that policy and I fully sympathise with them. It therefore becomes necessary for me at least for that section of the public which has not realised the implications to dilate a little more fully on what they are.

Hon'ble Members, one after another, spoke about the demand for Constitutional Reform. But at least during the discussions of the last two days I have not been able to ascertain as to what the ideas of those Hon'ble Members are relating to Constitutional Reforms. One Hon'ble Member referred to the need for appointing an Executive Council. I have no doubt in my mind that on a closer scrutiny and examination the House will realise that the establishment of an Executive Council is no measure in Constitutional Reform at all. It would only mean that in the place of one Diwan you will probably have three Diwans. But another Hon'ble Member urged the need for appointing one responsible Minister. I take it therefore what Hon'ble Members are aiming at in demanding Constitutional Reforms is the day when the Members of Government in charge of the administration of the State will be made responsible to the elected Members of this House. If that is so, then I would claim that my administrative changes have laid the foundation for that. I found within the few days of my assuming office that in the administrative machinery of the Cochin State, you have not got even the foundation upon which a constitutional super-structure can be built. I have no doubt that many Hon'ble Members of this House

LIBRARY ARCHIVES Kerala Legislative Assembly

are careful students of constitutional History. Look at any country in the world which has got responsible Government. In a system of responsible Government the Ministers who carry on the administrative machinery change periodically. Take the case of France. There a change in the Ministry often occurs once in every three months. How then does the administrative machinery run? Irrespective of the change in the personnel of the Ministers, the administrative machinery is carried on by an efficient and permanent Civil Service, and an efficient and permanent Secretariat. We have certainly got a Civil Service. But we were lacking until yesterday in a very important requisite of all responsible Governments and that is an efficient Secretariat. If under the scheme of things that existed until yesterday, Cochin had been given responsible Government and if as a result of an adverse vote in this Council, the Ministry has been turned out you will find nothing but chaos and confusion. Any constitutional reform implying ministerial responsibility to an elected House presupposes the existence of an efficient Secretariat which carries on the administration irrespective of the change of personnel and which offers expert advice to the minister. If you want responsible Government one of the laymen might be called upon to be for example a Minister of Industries. He probably knows nothing about industries and he depends for the carrying on of his work on the expert advice which is available to him in the Secretariat. Some of you students of English History would remember the famous saying of one great statesman who, in the reshuffling of Cabinet, was selected as Secretary of State for Colonies. He went to his office and said, "Bring the map and let me see where these wretched Colonies are". That was typical of the layman with the responsibilities of carrying on the Government. It is made possible in modern Governments by the existence of an efficient service and an efficient Secretariat. I thought during my regime, whether it may or may not be possible for me to inaugurate any substantial measures of constitutional reforms, I would at least satisfy myself that I had laid the foundation for such a super-structure. That was the fundamental idea underlying those administrative changes.

I had taken another step when I announced my intention to constitute advisory committees, the utility of which certain Hon'ble Members have been doubting. On this point again I can speak with confidence because I have got personal experience. I have been in the Legislative Assembly for 11 years and I may assure Hon'ble Members that 99 per cent of what I learned of public administration was in committee work and not in the

LIBRARY ARCHIVES Kerala Legislative Assembly

speeches that I made on the floor of the Legislative Assembly. I thought that the time had now come when we might create as it were a class of men familiar with the administrative machinery who can in the year to come be trusted to shoulder responsibility. This can very easily be achieved by the constitution of advisory committees. Let me remove one misconception under which one Hon'ble Member was labouring. He seemed to think that two of the Members would be elected by the non-official Members of the House and that the third Member who would be nominated would be an official. But that is not the case. The entire committee would be a non-official committee. The power of nomination is reserved with a view to fill up any gaps in the representation of minority communities which may not be able to secure a place in the direct election. That was the underlying object. (Hear, hear). And I may assure the Hon'ble Members that if only the Members that are sent to these committees will take a real interest it would be the duty of the Government to place unreservedly all aspects of policy involved in the various departments. If they utilise their time I have not the slightest doubt that they would get an insight into the administrative machinery. So much for the administrative changes.

I think I must now say a word with regard to my proposals for the establishment of a Land Mortgage Bank and some of the criticisms that I heard on that score. As one Hon'ble Member on the Government side remarked, as a result of the experiences of many modern Governments, the Land Mortgage Bank has been devised as the only institution which can offer substantial relief towards agricultural indebtedness. In this connection many Hon'ble Members thought that the relief offered in this direction will be absolutely infinitesimal and in any case it will not relieve a substantial majority of the agricultural population and they went to the extent of suggesting a radical measure of cutting down of debts. The Hon'ble Member for the Ezhuvas South is no doubt consistent in his principles of economics. He is out to demolish the capitalistic system and when the capitalistic system is thoroughly destroyed it might be possible to cut down debts, not merely to 50% but probably to 100 %. But what the Government have to keep in mind is how best can they in the interests of the agriculturists themselves devise measures to give relief to the agriculturists. Assuming for a moment that His Highness' Government is prepared tomorrow by means of a Proclamation to say that every debt taking the interest and principal together is reduced by 50 per cent, what would be the result? Assuming that it is just, I am sure that the Hon'ble Members must at least concede that the State must

LIBRARY ARCHIVES Kerala Legislative Assembly

step in and pay the creditors. I have at present no idea of the indebtedness of the agricultural population of the State. Probably it is five crores of rupees, and let us assume that it is reduced to 2½ crores. Wherefrom is His Highness' Government to pay this. His Highness' Government will have after all to borrow either from the subjects of the Cochin State or from the money markets abroad. Which investor would have faith in a Government which by one stroke of the pen reduces the right to 50 per cent; what guarantee is there that after three years the same Government may not cut down debts by 75 per cent. Hon'ble Members should seriously consider the implications in suggesting this measure in the interest of the agriculturists themselves. It is certainly not in the interest of these agriculturists for whose benefit we devise these measures. But certainly, there is a way of doing it when the Land Mortgage Bank comes. Even for financing the operations of this Bank, Government will have to borrow money and His Highness' Government is prepared to pledge its credit to its maximum extent and to borrow and to give relief to the agriculturists. It is then for the non-official Members to form Debt Conciliation Boards on a voluntary basis, persuade the creditors and get the Land Mortgage Bank to clear off that debt. In the establishment of the Land Mortgage Bank, there is scope, therefore, for every public-spirited citizen of the State to do some constructive work and to bring about Debt Conciliation Boards entirely under non-official auspices. I have myself had experience of the splendid work that the Land Mortgage Bank has done in certain districts of the Madras Presidency during the last three or four years and I have not the slightest doubt in my mind that if the institution of a similar Land Mortgage Bank does not bring about the same result, then there is something fundamentally and radically wrong in the constitution of the society in the Cochin State. And I have not the slightest doubt that Cochin State is not so bad as to let the Land Mortgage Bank prove a failure.

I shall conclude by making one observation upon another subject which has attracted the attention of the Hon. Members. I mean, their criticism of the Public Service in the Cochin State. I have myself as Hon. Members have repeatedly pointed out, been a non-official all my life and I have been a very severe critic of many high officials of Government. I, as the Head of the Administration, welcome every legitimate criticism of the actions of the public servants of this State. It is in the interest of the Government, of the public servants and the public at large.

LIBRARY ARCHIVES Kerala Legislative Assembly

Mr. E. Ikkanda Warriar.—Hear, hear.

Mr. President.—But, I must most strongly and emphatically deprecate the attempt made in certain quarters to decry personalities in the services. (Hear, hear). I would do that, not in the interest of the public servants alone, but in the interest of the public of Cochin. I observed at the outset that all modern Governments are based upon an efficient and well-contented public service. If the public service loses confidence, become discontented, then woe unto the State. The very foundation of Government would come down. It is just possible that some members of the service have inadvertently done acts which they ought not to have done. To rectify that, it is not necessary to indulge in personal attacks in this House. I may assure the House that if any member of the public has any grievance against any member of the service, he is at liberty to make representations to me and I may assure you that a most thorough-going and searching enquiry will be made without any favouritism or fear. That would be the proper way of remedying any defects in the conduct of public servants and not by personal abuse. Personal criticism of this nature may engender ill-feelings which is detrimental to the public services and to the public at large. I would, therefore, impress upon Hon. Members the need to keep up that dignity which is expected of a Legislature. I was very glad to observe during the last two days the very high level of debate and except for this unfortunate tendency to indulge in criticisms of this nature, the level of debate has been very high. I hope that this advice will not fall on deaf ears. I suggest this not so much on behalf of the Government, but on behalf of the public of Cochin.

Hon. Members have been insisting for some years on the establishment of a Public Services Commission. Some of the Hon. Members who ask for a public service commission are actuated by the desire that with the establishment of a Public Services Commission what they consider to be communal inequalities in the distribution of offices would be redressed. But I must remind these Hon Members that they are entirely wrong. The mere institution of a Public Services Commission is not going to redress any communal inequality or injustice. In fact, if a Public Services Commission is simply appointed, they will have to choose merely on the question of merit irrespective of communal consideration and if the Public Services Commission is to be guided by any communal representation, then the Government must by a special order direct them to do so. I want, therefore, Hon. Members to understand that the mere institution

LIBRARY ARCHIVES Kerala Legislative Assembly

of a Public Services Commission does not by itself solve the problem of communal representation. Hon. Members wanted certain rules and regulations to guide the public officials in making the choice. We have not got such rules. But I may assure Hon. Members that even though there are no rigid rules relating to communal representation in the services, His Highghness' Government are always keeping in view the fundamental principle that in the public services of the State, all classes of His Highness' subjects should have a legitimate share. It shall always be my duty to see that this principle is adhered to. Talking on public service, I would take this opportunity of impressing on this House, the need for building up an efficient and contented public service in the State, if Hon. Members ever forsee a day when they will have full or partial responsible Government. Within the few days that I have been in the State and as a result of what little study I have made of the history of the State, I find that you have got in this State some of those ideal conditions which would have gladdened the heart of a philosopher politician like Plato. One of his dicta was that for conducting a constitutional experiment, you want a State of manageable size. You have got that. You have got in your public service what your brothers in British India have been crying for for years together. You can be proud of your public service because it is manned by Cochin born subjects. If you are going to turn and say that they are inefficient, that they are corrupt, then you prove to the world that with all these advantages there is something wrong in the structure of Cochin which makes it impossible to build up a modern Government. I have no doubt in my mind that that suggestion would be strongly and indignantly repudiated by Hon. Members. I would, therefore, suggest to Hon. Members to extend to every class of Public servants a measure of generous co-operation which, I have not the slightest doubt in my mind will be reciprocated.

Hon'ble Members, these are a few observations which I thought it my duty to make as a result of the criticisms which I listened to.

The House now stands adjourned and will meet at 11 a. m. to-morrow.

The House rose for the day at 5-45 p. m.

A. R. MAHADEVA AYYAR,
Secretary to the Council.

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